

APR 24 1975

HOUSE FILE 811

WAYS & MEANS CALENDAR

BY COMMITTEE ON WAYS AND MEANS

Sen. " " " 5/7, Pass 5/21

Passed House, Date 5-2-75 (1514) Passed Senate, Date 6-13-75 (2052)

Vote: Ayes 77 Nays 0 Vote: Ayes 46 Nays 0

Approved 7-14

motion to reconsider filed 5-2 (1514) Lost 5-5 (1535)

Repassed House per Senate amendment

6-14-75 (2530)

91-0

A BILL FOR

1 An Act relating to the military service tax exemption and
2 making the Act retroactive.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred twenty-seven point three
2 (427.3), Code 1975, is amended by striking subsection four
3 (4) and inserting in lieu thereof the following:

4 4. The property, not to exceed one thousand eight hun-
5 dred fifty-two dollars in taxable value of any honorably
6 separated, retired, furloughed to a reserve, placed on in-
7 active status, or discharged soldier, sailor, marine, or nurse
8 of the second World War from December 7, 1941 to December
9 31, 1946, army of occupation in Germany November 12, 1918,
10 to July 11, 1923, American expeditionary forces in Siberia
11 November 12, 1918, to April 30, 1920, second Nicaraguan
12 campaign with the navy or marines in Nicaragua or on combatant
13 ships 1926-1933, second Haitian suppressions of insurrections
14 1919-1920, navy and marine operations in China 1937-1939 and
15 Yangtze service with navy and marines in Shanghai or in the
16 Yangtze Valley 1926-1927 and 1930-1932 or of the Korean
17 Conflict at any time between June 25, 1950, and January 31,
18 1955, both dates inclusive, or those who served on active
19 duty during the Vietnam Conflict beginning August 5, 1964,
20 and ending June 30, 1973, both dates inclusive, and as defined
21 in section thirty-five C point two (35C.2) of the Code.

22 Sec. 2. The provisions of section one (1) of this Act
23 shall be retroactive to January 1, 1975, and to this extent
24 section one (1) of this Act is retroactive.

25 Sec. 3. This Act, being deemed of immediate importance,
26 shall take effect and be in force from and after its publica-
27 tion in the Marion County News, a newspaper published in
28 Pleasantville, Iowa, and in the Sioux Rapids Bulletin-Press,
29 a newspaper published in Sioux Rapids, Iowa.

30 EXPLANATION

31 In 1974, the Sixty-fifth General Assembly enacted Senate
32 File 1272, which is an Act relating to valuation of property
33 and property tax limitations by changing assessed and taxable
34 value of property to one hundred percent of actual value,
35 changing general property tax levies computed in mills to

1 tax levies computed in dollars and cents per \$1,000 of assessed
2 value, and making coordinating amendments. The title did
3 not reflect that any military service tax exemption would
4 be limited or eliminated. However, section 128 of Senate
5 File 1272, by putting an ending date on the Vietnam Conflict,
6 by defining active duty, and eliminating the provision for
7 persons presently serving in the armed forces, had the effect
8 of disallowing military service tax exemption, commencing
9 in the year 1975, for certain persons previously eligible.
10 Since the title of Senate File 1272 does not purport to deal
11 with any property tax exemption, it is believed that the
12 portion of section 128 which attempts to define the scope
13 of the military service tax exemption for those serving in
14 the armed forces during the Vietnam Conflict raises several
15 constitutional issues. This bill reenacts the military service
16 tax exemption to remove the constitutional issues. Since
17 Senate File 1272, by its terms, was to be effective on January
18 1, 1975, this Act is made retroactive to that date.

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HOUSE FILE 811
FISCAL NOTE

Date prepared: May 22, 1975
Requested by: Senator Shaw
Prepared in regard to Senate amendment S-3755 to House File 811, An Act relating to the military service tax exemption and making the Act retroactive. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

Because it is not known how many guardsmen own property or what the actual property tax exemption might be for each eligible guardsman, an accurate estimate cannot be completed.

Between July 1, 1964, and June 30, 1973, there were approximately 11,000 guardsmen with no prior service who would be eligible for a property tax credit.

Assuming an average state-wide property tax exemption of \$55 and also assuming that approximately 25% of the eligible guardsmen own property, the annual cost would be approximately \$150,000.

FILED
MAY 27, 1975

GERRY D. RANKIN
LEGISLATIVE FISCAL DIRECTOR

H-3689

- 1 Amend House File 811 as follows:
2 1. Page 1, lines 8 and 9, by striking the
3 following: "December 31, 1946" and inserting in
4 lieu thereof the following: "September 2, 1945,
5 both dates inclusive".
6 2. Page 1, line 17, by striking the
7 numerals "25" and inserting in lieu thereof the
8 numerals "27".

H-3689 FILED - *Adopted 5/2 (15/13)*
APRIL 29, 1975

BY WYCKOFF of Benton
HUSAK of Tama
KOOGLER of Mahaska
BAKER of Buena Vista
JORDAN of Linn
MILLER of Buchanan
HARPER of Davis
HEALSON of Muscatine
HANSEN of O'Brien
McELROY of Fremont

H-3737

- 1 Amend House File 811 as follows:
2 1. Page 1, by striking all after the enacting
3 clause and inserting in lieu thereof the following:
4 "Section 1. Section four hundred twenty-seven
5 point three (427.3), Code 1975, is amended by
6 striking the section and inserting in lieu thereof
7 the following:
8 427.3 MILITARY SERVICE--EXEMPTION. Any honorably
9 separated, retired, furloughed to a reserve, placed
10 on inactive status, or discharged soldier, sailor,
11 marine, nurse, or member of the air force may hold
12 property, not to exceed one thousand eight hundred
13 fifty-two dollars in taxable value, exempt from
14 taxation. The exemption shall apply to personal
15 property held in partnership but not in excess of
16 the veteran's share actually held."

H-3737 FILED
MAY 5, 1975

BY HIGGINS of Scott
BINA of Scott

H-3738

- 1 Amend House File 811 as follows:
2 1. Page 1, lines 8 and 9, by striking the words
3 and figures "of the second World War from December 7,
4 1941 to December 31, 1946," and inserting in lieu
5 thereof the words "who served on active duty at any
6 time from December 7, 1941 through June 24, 1950, or
7 who served on active duty during the".
8 2. Page 1, lines 16 and 17, by striking the
9 words "of the Korean Conflict".
10 3. Page 1, lines 17 and 18, by striking the
11 word and figures "January 31, 1955" and inserting
12 in lieu thereof the word and figures "August 4,
13 1964".

H-3738 FILED
MAY 5, 1975

BY STROMER of Hancock
HUTCHINS of Guthrie

Senate Amendment to House File 811

H-4282

- 1 Amend House File 811 as amended and passed by the
- 2 House, as follows:
- 3 1. Page 1, line 8 by striking "September 2," and
- 4 by striking line 8a and insert in lieu thereof "Decem-
- 5 ber 31, 1946".
- 6 2. Page 1, line 17, by striking the number "27"
- 7 and insert in lieu thereof the number "25".

H-4282 FILED, RECEIVED FROM SENATE
JUNE 13, 1975

House concurred 6/14 (2530)

S-3775

- 1 Amend House File 811 as amended by the House as
- 2 follows:
- 3 1. Lines 18 and 19 by striking the words "on
- 4 active duty".
- 5 2. Lines 20 and 21 by striking the words ", and
- 6 as defined in section thirty-five C point two (35C.2)
- 7 of the Code".
- 8 3. By adding after line 21 the words "National
- 9 Guardsmen and Reservists who served under either
- 10 section 672 (d) title 10, U. S. Code, or section 502
- 11 through 505, title 32, U. S. Code, during any of the
- 12 above enumerated dates shall be entitled to the pro-
- 13 visions of this subsection."

S-3775 FILED - *Lost 6/13 (2052)* BY ELIZABETH SHAW
MAY 8, 1975

S-3881

- 1 Amend House File 811 as amended and passed by the
- 2 House, page 1, line 18, by striking "1955" and inserting
- 3 in lieu thereof "1965".

S-3881 FILED - *Lost 6/13 (2051)* BY H. L. HEYING
MAY 21, 1975

S-4125

- 1 Amend House File 811 as amended and passed by the
- 2 House, as follows:
- 3 1. Page 1, line 8 by striking "September 2," and
- 4 by striking line 8a and insert in lieu thereof "Decem-
- 5 ber 31, 1946".
- 6 2. Page 1, line 17, by striking the number "27"
- 7 and insert in lieu thereof the number "25".

S-4125 FILED - *Adopted 6/13 (2050)* BY CLIFTON C. LAMBORN
JUNE 10, 1975 BERL E. PRIEBE

HOUSE FILE 811

Pleasantville, Iowa, and in the Sioux Rapids Bulletin-Press,
a newspaper published in Sioux Rapids, Iowa.

AN ACT

RELATING TO THE MILITARY SERVICE TAX EXEMPTION AND MAKING
THE ACT RETROACTIVE.

DALE M. COCHRAN
Speaker of the House

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

ARTHUR A. NEU
President of the Senate

Section 1. Section four hundred twenty-seven point three
(427.3), Code 1975, is amended by striking subsection four
(4) and inserting in lieu thereof the following:

I hereby certify that this bill originated in the House and
is known as House File 811, Sixty-sixth General Assembly.

4. The property, not to exceed one thousand eight hun-
dred fifty-two dollars in taxable value of any honorably
separated, retired, furloughed to a reserve, placed on in-
active status, or discharged soldier, sailor, marine, or nurse
of the second World War from December 7, 1941 to December
31, 1946, army of occupation in Germany November 12, 1918,
to July 11, 1923, American expeditionary forces in Siberia
November 12, 1918, to April 30, 1920, second Nicaraguan
campaign with the navy or marines in Nicaragua or on combatant
ships 1926-1933, second Haitian suppressions of insurrections
1919-1920, navy and marine operations in China 1937-1939 and
Yangtze service with navy and marines in Shanghai or in the
Yangtze Valley 1926-1927 and 1930-1932 or of the Korean
Conflict at any time between June 25, 1950, and January 31,
1955, both dates inclusive, or those who served on active
duty during the Vietnam Conflict beginning August 5, 1964,
and ending June 30, 1973, both dates inclusive, and as defined
in section thirty-five C point two (35C.2) of the Code.

DAVID L. WRAY
Chief Clerk of the House

Approved _____, 1975

Sec. 2. The provisions of section one (1) of this Act
shall be retroactive to January 1, 1975, and to this extent
section one (1) of this Act is retroactive.

ROBERT D. RAY
Governor

Sec. 3. This Act, being deemed of immediate importance,
shall take effect and be in force from and after its publica-
tion in the Marion County News, a newspaper published in